

Customers can find in amazon

[Business](#), [Marketing](#)



In the beginning of 2008, the financial revenue of eBay decreased while Amazon. com gained 18% up in its sales, which aroused the public's attention to the two companies' situation (Mark, 2008). Compared with eBay which uses bid module to attract customers, Amazon. com tends to supply service and products related to individuals' daily use; hence the amounts of business are different between them. There are some distinctions in their marketing strategies. Customers can find in Amazon.

WebPages, the key words always tend to be " economical", " new arrival" and " recommended by other customers", which indicates that items here are cheap, fashionable and of highly recommended by others, thereby grasping customers' interest by highlighting the unique characteristics of items. In eBay, however, you will mostly find luxuries like extremely expensive cars and villas, which beyond common people's needs and has limited customers. Hence, the former are capable of creating high sales record while the latter fail to fulfill that.

When it comes to the after service, Amazon possesses more advantages than eBay. To some extent, Amazon itself is the seller party so that it is comparatively easy for it to tackle the problems after sale. However, eBay is a platform on which the buyer and seller negotiate with each other without face to face communication. Therefore, eBay fails to guarantee all items service listed on its websites. Thus definitely affect the reputations of each company and in turn influence the sales.

Apparently, the business potential of the Amazon Kindle DX is formidable due to its human design, convenience, PC and other instruments(such as

iPhone) availability. The potential customers of Kindle are not only restricted in office staff, but also evident in college students, who need documents of many subjects but are unwilling to carry brick-like books. What is more, Amazon's recent measures to cut down the price of Kindle in the market will enable budget-conscious students to be able to their customers (Rao, 2009). EBay's decision to sale Skype is hard to be judged and the future is uncertain.

On the one hand, eBay can focus more on core strategies and strengths without Skype. But on the other hand, Skype is potential to offer strong growth in its revenue. Hence, keeping Skype cannot be considered a mistake for eBay, since eBay does not need the cash currently and Skype may be the turning point of its little decline. 7. 2 Investor potential In April 2009, Bezos, the CEO of Amazon. com, wrote a letter to shareholders to express that the company's goals not changed (James, 2009). Its primary financial goal is to pursue maximum free cash in a long run and comparatively higher return from investment.

He also stressed that among all the investments, they will give priority to Amazon Web Service, tools for third party sellers, digital media, China's market and new product categories, which will definitely be the meaningful investments and bring promising return to all investors. PayPal is considered to play a pivotal role in eBay's growth nowadays since online shopping has becoming the sweeping trend in today's word and it continues to proliferate and expand worldwide, which will bring PayPal limitless needs and potentials.

Looking through the growing history, eBay certainly possesses the financial resources to exploit this opportunity and excite its long-term investors. 7. 3 Employee potential In the early years of Amazon. com's founding, top managers' back group were nearly computer-related, which encouraged the company to emphasis on its technology and generate diverse products relevant to digital area, such as Kindle (Kirby and Stewart, 2007). Hence, the whole organization has a strong power in R&D development according to its abundant computer science background.

Besides, employees there have the priority of stock option so that key employees tend to be bound with Amazon. com's development, which forces them to concentrate on their business and future trend. When eBay conducted Skype business, it made a decision to pursue employee stock option exchange program in March 2009, allowing some employees to trade underwater options for restricted stock units and even Skype employees to participant in this program (Cavery, 2009). Therefore, the management structure of eBay may face change and the new power will be brought in to enhance the company's performance.

Limitations of the analysis The limitations exist in two primary aspects. Firstly, it is hard to get access to detailed information about both companies' detailed financial statements, and data on particular sales (such as eBay's Skype business), which makes it is complicated to analyze the situation and trends. Besides, my superficial understanding and limited knowledge about financial analysis, especially about stock market, makes me cannot capture

the essence of some data from their financial statements and fail to discover the truth relying behind their non-financial performances.

Therefore, it is hard to give a perfect objective judgment and predication about both companies' performance. 9. 0 Conclusion To conclude, both Amazon. com and eBay are fast growing companies whose business has reached into many countries worldwide, but at different rate in recent years. But compared with Amazon. com, eBay performed less as well as Amazon according to its financial statement, especially that in 2007. Amazon. com is a sound investment for long-term investors seeking growth of capital, in terms of its steady rise in financial statement and super performance on new products development.

However, although eBay's future growth tends to not be as fast as its past, it will remain its above-average growing ability by expanding its business and changing its module, together with its affluent cash flow.

References:

Amazon. com (2009), Amazon. com, Inc. financials, retrieved on 11th December 2009, from: <http://www.google.com/finance?fstype=ii&q=NASDAQ:AMZN> Caverly, D. (2009), eBay to pursue employee stock option exchange program, retrieved on 11th December 2009, from: <http://www.webpronews.com/topnews/2009/03/10/ebay-to-pursue-employee-stock-option-exchange-program>